Budgets for Beginners

WELCOME



Taking Control of Your Money

Order of Events

- ➤ Introduction: Terry Morgan
- Federal Executive Association Purpose
- **≻**Welcome
- ➤ Presentation Budgets
- ➤ Presentation Eliminating Debt
- **>**Questions-

Omaha – Lincoln Federal Executive Association (FEA)



Network among federal agencies and employees.



Provide avenues for employee professional development.



 Network with the local community and provide a liaison between industry and business and the federal government.



• Sponsor approved federal government participation in humanitarian campaigns, dedications, and other public ceremonies.



 Participate as an association in community affairs and encourage other employees to do the same.

Budgets

There are many types of budget and budgeting forms and/or programs – the key is to use them consistently.

It will take 3 – 4 months before you will have everything identified in your budget.

Singles – it is suggested that you get an accountability partner.

Couples – this is a team effort and both parties should be involved to be successful.

Budgets Example – Basic One Page

This budget is a one page budget for those who have never use a budget before, if will identify the money you need for necessities. Items are listed in very general groups.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities - Electric, Gas, Water, Trash, Phone, Internet, Cable

Food, to include toiletries and cleaning supllies

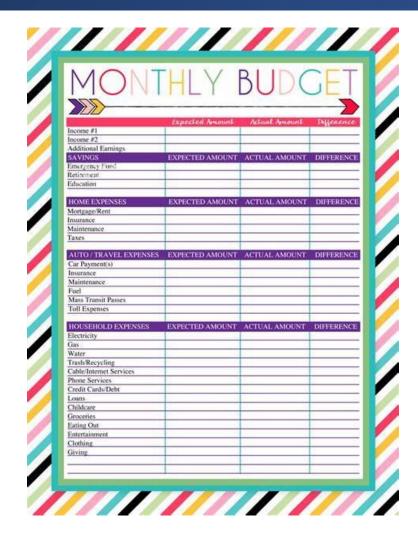
Clothing - Adult, Children, Sports, Uniforms

Transportation – Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

All your money should be accounted for - the total budgeted should equal your income.

Budgets Example – Basic One Page



Budgets Example – Basic One Page

mousenoia E	uagei	Month		
Household E	erday, live for today	, hope for tomor	10vi." - Albert Einst	lein
Monthly Financial Goals:				
Yearly Financial Goals:				
Long-Term Financial Goals:				
			I town Table	,
Gross Monthly Income		Amount	(GMI) Total =	
			1	
			1	
			+	
Bills & Expenses	Specifics	Amount	Due	Paid
unis & Expenses	Specifics	Alliount	Due	raiu
				3
		8		
			45	×
	2	3 8		
		8		
			10	
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		-)
		1	100	8 - 1
				9 9
				0
		4		
Total Income =			Extra to Debt =	

Budgets Example – Detailed

This budget is a multiple page budget. This budget is more detailed and provides additional sub-categories and blank space for customization.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities – Electric, Gas, Water, Trash, Phone, Internet, Cable

Food, to include toiletries and cleaning goods

Clothing – Adult, Children, Sports, Uniforms

Transportation – Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

Debts – Loans, Credit Cards, etc.

Sinking Payments - budgeted amount saved to be used to replace items (tires, household appliance, major home and auto repairs)

All your money should be accounted for - the total budgeted should equal your income.

Budgets Example – Detailed – Page 1

CHEET 5

MONTHLY CASH FLOW PLAN

Budgeted	Sub		Actually	% of Take
Item	Total	TOTAL	Spent	Home Pay
CHARITABLE GIFTS				
SAVING				
Emergency Fund(1)				
Retirement Fund				
College Fund				
HOUSING				
First Mortgage				
Second Mortgage				
Real Estate Taxes				
Homeowners Ins.				
Repairs or Mn. Fee				
Replace Furniture				
Other				
UTILITIES				
Electricity				
Water				
Gas				
Phone				
Trash				
Cable				
*FOOD				
*Grocery				
*Restaurants				
TRANSPORTATION				
Car Payment				
Car Payment				
*Gas and Oil				
*Repairs and Tires				
Car Insurance				
License and Taxes				
Car Replacement				
PAGE 1 TOTAL				
SHEET 5 CONTINUED				

Budgets Example – Detailed – Page 2

Budgeted	Sub		Actually	% of Take
<u>Item</u>	<u>Total</u>	<u>TOTAL</u>	<u>Spent</u>	Home Pay
*CLOTHING				
*Children				
*Adults				
*Cleaning/Laundry				
MEDICAL/HEALTH				
Disability Insurance				
Health Insurance				
Doctor Bills				
Dentist				
Optometrist				
Drugs				
PERSONAL				
Life Insurance				
Child Care				
*Baby Sitter				
*Toiletries				
*Cosmetics				
*Hair Care				
Education/Adult				
School Tuition				
School Supplies				
Child Support				
Alimony				
Subscriptions				
Organization Dues				
Gifts (inc. Christmas)				
Miscellaneous				
*BLOW \$\$				
PAGE 2 TOTAL				
INGLETOTAL				

Sub

Budgeted

Actually % of Take

Budgets Example – Detailed – Page 3

<u>Item</u>	<u>Total</u>	<u>TOTAL</u>	<u>Spent</u>	Home Pa
RECREATION				
*Entertainment				
Vacation				
DEBTS (Hopefully -0-)				
Visa 1				
Visa 2				
MasterCard 1				
MasterCard 2				
American Express				
Discover Card				
Gas Card 1				
Gas Card 2				
Dept. Store Card 1				
Dept. Store Card 2				
Finance Co. 1				
Finance Co. 2				
Credit Line				
Student Loan 1				
Student Loan 2				
Other				
PAGE 3 TOTAL				
PAGE 2 TOTAL				
PAGE 1 TOTAL				
GRAND TOTAL				
-TOTAL INCOME				
ZERO		ZERO		

Budgets Example – Bi-monthly / Weekly – Multiple Pay Periods

This budget is a multiple page budget. This budget is more detailed, broken out into 2 or 4 week increments and provides additional subcategories and blank space for customization. This allows for when you receive income at different times throughout the month.

Charity,

Savings – Emergency Fund, Christmas Club, Vacation Fund, College

Housing - Mortgage / Rent, 2nd Mortgage / Home improvement, Taxes, Insurance, Repairs

Utilities – Electric, Gas, Water, Trash, Phone, Internet, Cable

Food,

Clothing – Adult, Children, Sports, Uniforms

Transportation - Car payments, Gas, Oil Changes/Repairs, Insurance

Personal – Entertainment, Childcare, Life insurance, Health insurance, Slush Fund

Debts – Car Payments, Credit Cards, Student loans, other debt.

Sinking Funds

All your money should be accounted for - the total budgeted should equal your income.

FIRST – establish an emergency fund of \$1,000.00 – this is to be used for emergencies only.

Do not use for - school clothes, birthday or Christmas presents, vacations.

This should be allocated in your budget.

Goal is to have 3 – 6 months of expenses after your debt has been eliminated.

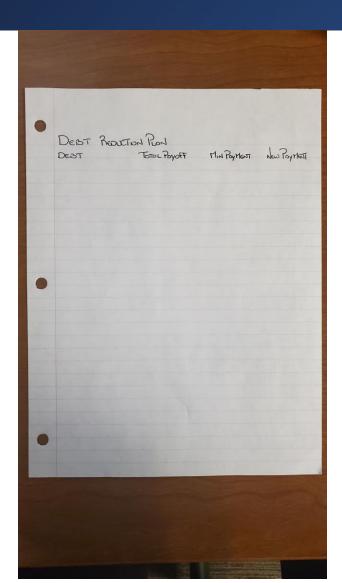
List all of your debt in order from smallest to the largest payoff balance.

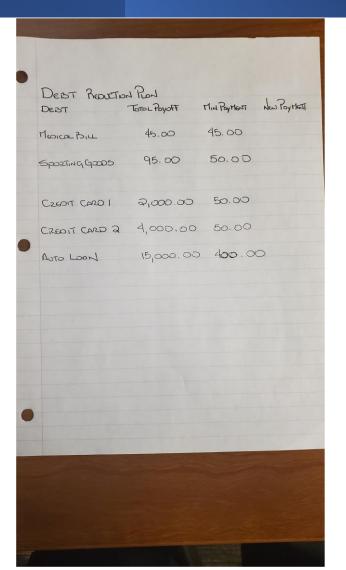
Interest rates are not a concern at this point unless you have two debts that have a similar balance. If this is the case pay off the debt with the higher interest rate.

Cut up credit cards and close accounts once paid off.

Note: when you use credit you are paying a company to use your hard earned cash.

Credit cards charge you anywhere from 18% - 30% to use your money.

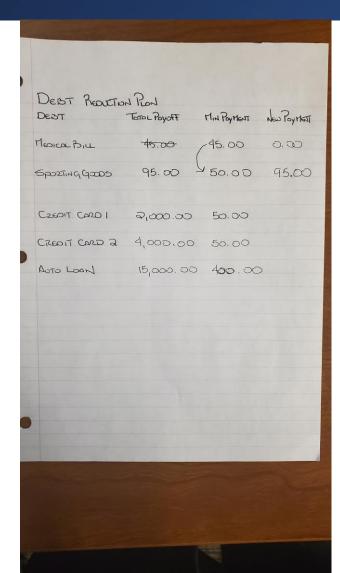


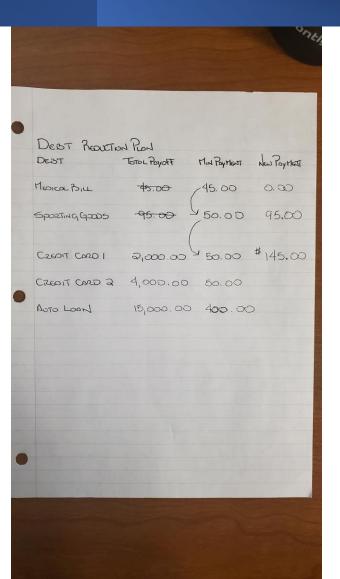


Pay off the smallest debt by paying as much as you can. Once paid off take this amount plus the minimum payment amount of the next debt and pay it off.

Then take the amount from the first and second paid off debts and apply it with the minimum payment of the third until this debt is paid off.

Continue this until all of your debt has been paid off – this could take months or a few years depending on the amount of debt you have.





General Rules of Thumb

- 1. Budget, budget and budget they can be updated.
- 2. Take care of Home, Food and Transportation first.
- 3. What is the cost of the purchase how many hours to you have to work to purchase the item?
- 4. Opportunity cost what do you give up to purchase the item (a debt to be paid off, an investment, a vacation or entertainment).
- 5. Is it a need or want you can have both if you have the money, just call it what it is.
- 6. Be patient can the item wait until you have saved up for it instead of using credit.

QUESTIONS

1. Any Questions or Comments

Thank you for attending

